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**HORIZON 2020**

**WORK PROGRAMME 2016– 2017**

*20. General Annexes*

*(European Commission Decision C(2017)2468 of 24 April 2017)*



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## A. List of countries eligible for funding

1. Legal entities established in the following countries and territories will be eligible to receive funding through Horizon 2020 grants:

- The Member States (MS) of the European Union (EU), including their outermost regions;
- The Overseas Countries and Territories (OCT) linked to the Member States<sup>1</sup>:

Anguilla, Aruba, Bermuda, British Antarctic Territory, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Falkland Islands, French Polynesia, French Southern and Antarctic Territories, Greenland, Montserrat, Netherlands Antilles (Bonaire, Curaçao, Saba, Sint Eustatius, Sint Maarten), New Caledonia, Pitcairn Islands, Saint Barthélemy, Saint Helena, Saint Pierre and Miquelon, South Georgia and the South Sandwich Islands, Turks and Caicos Islands, Wallis and Futuna.

- The associated countries (AC): the latest information on which countries are associated, or in the process of association to Horizon 2020 can be found in the online manual<sup>2</sup>.
- The following countries, except where this is explicitly excluded in the call text<sup>3</sup>

Afghanistan, Algeria, American Samoa, Angola, Argentina, Azerbaijan, Bangladesh, Belarus, Belize, Benin, Bhutan, Bolivia, Botswana, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, Chile, Colombia, Comoros, Congo (Democratic People's Republic), Congo (Republic), Costa Rica, Côte d'Ivoire, Cuba, Djibouti, Democratic People's Republic of Korea, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guatemala, Guinea, Guinea-Buissau, Guyana, Haiti, Honduras, Indonesia, Iran, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Kosovo\*, Kyrgyz Republic, Lao, Lebanon, Lesotho, Liberia, Libya, Madagascar, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mauritius, Micronesia, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Pakistan, Palau, Palestine\*\*, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Rwanda, Samoa, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, South Africa, South Sudan, Sri Lanka, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Sudan, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Tanzania, Thailand,

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<sup>1</sup> Entities from Overseas Countries and Territories (OCT) are eligible for funding under the same conditions as entities from the Member States to which the OCT in question is linked

<sup>2</sup> [http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/international-cooperation\\_en.htm](http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/international-cooperation_en.htm)

<sup>3</sup> Provided that natural or legal persons, groups or non-State entities are not covered by the Council sanctions in force. Please see: the consolidated list of persons, groups and entities subject to EU financial sanctions, available at [http://eeas.europa.eu/cfsp/sanctions/consol-list\\_en.htm](http://eeas.europa.eu/cfsp/sanctions/consol-list_en.htm).

Timor-Leste, Togo, Tonga, Turkmenistan, Tuvalu, Uganda, Uruguay, Uzbekistan, Vanuatu, , Venezuela, Vietnam, Yemen, Zambia, Zimbabwe.

*[] indicates country to be removed from list, as and when Association Agreement comes into force.*

If in the meantime one of these countries becomes associated to Horizon 2020, it will immediately be shown in the relevant on-line manual mentioned above. Note that entities from associated countries are eligible to participate according to the conditions set out in Annex C.

(\* This designation is without prejudice to positions on status and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence).

(\*\* This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue).

2. International European interest organisations<sup>4</sup> will also be eligible to receive funding from Horizon 2020.

3. Legal entities established in countries not listed above will be eligible for funding when such funding is explicitly foreseen in the call.

4. In addition, legal entities established in countries not listed above and international organisations (IOs) will be eligible for funding:

- When funding for such participants is provided for under a bilateral scientific and technological agreement or any other arrangement between the EU and an international organisation or a third country;
- When the Commission deems participation of the entity essential for carrying out the action funded through Horizon 2020;
- For Prizes, any legal entity, regardless of its place of establishment, or international organisation may receive funding<sup>5</sup>.

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<sup>4</sup> These are international organisations, the majority of whose members are Member States or associated countries, and whose principal objective is to promote scientific and technological cooperation in Europe.

<sup>5</sup> Provided that natural or legal persons, groups or non-State entities are not covered by the Council sanctions in force.

## B. Standard admissibility conditions and related requirements

1. For all actions under this Work Programme (except for ERC actions; see below), proposals/prize applications must comply with the admissibility conditions set out in this Annex, unless they are supplemented or modified in the call conditions or rules of contest.

To be considered **admissible**, a proposal/application must be:

- (a) submitted in the electronic submission system before the deadline given in the call conditions or rules of contest;
- (b) readable, accessible and printable.

2. **Incomplete** proposals/applications may be considered inadmissible. This includes the requested administrative data, the proposal description, and any supporting documents specified in the call/contest.

3. The following supporting documents will be required to determine the **operational capacity** for grant proposals, unless otherwise specified in the call:

- A curriculum vitae or description of the profile of the persons who will be primarily responsible for carrying out the proposed research and/or innovation activities;
- A list of up to five relevant publications, and/or products, services (including widely-used datasets or software), or other achievements relevant to the call content;
- A list of up to five relevant previous projects or activities, connected to the subject of this proposal;
- A description of any significant infrastructure and/or any major items of technical equipment, relevant to the proposed work;
- A description of any third parties that are not represented as project partners, but who will nonetheless be contributing towards the work (e.g. providing facilities, computing resources)

4. Grant proposals must include a **draft plan for the exploitation and dissemination** of the results, unless otherwise specified in the call conditions. The draft plan is not required for proposals at the first stage of two-stage procedures.

5. In addition, to the above admissibility conditions, the following **related requirements** apply.

Page limits will apply to proposals/applications.

Unless stated otherwise in the call conditions, the limit for a full proposal is 70 pages, except for coordination and support actions and ERA-NET Cofund actions, where the limit is 50 pages. The limit for a first-stage proposal is 10 pages. For prize applications, any specific limits will be set in the Rules of Contest.

If a proposal/application exceeds the limits, the applicant will receive an automatic warning, and will be advised to re-submit a version that conforms.

After the call deadline, excess pages (in over-long proposals/applications) will be automatically overprinted with a “watermark”.

Expert evaluators will be instructed to disregard these excess pages.

The page limits and sections subject to limits will be clearly shown in the proposal templates in the Participant Portal electronic submission system.

Proposals must be written in a legible font, further guidance on the use of fonts, margins and other page formatting will be included in the proposal templates.

The structure of proposals must correspond to the requirements specified under each section of the proposal template.

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## C. Standard eligibility conditions

1. All proposals must comply with the eligibility conditions set out in the Rules for Participation Regulation No 1290/2013. Furthermore, for actions under this Work Programme proposals/prize applications must comply with the **eligibility conditions** set out in this Annex, unless they are supplemented or modified in the call conditions.

A proposal/application will only be considered **eligible** if:

- (a) its content corresponds, wholly or in part, to the topic/contest description for which it is submitted
- (b) it complies with the eligibility conditions for participation set out in the table below, depending on the type of action:

	<b>Eligibility conditions for participation <sup>6,7,8</sup></b>
<b>Research &amp; innovation actions (RIA)</b>	At least three legal entities. Each of the three must be established in a different EU Member State or Horizon 2020 associated country. All three legal entities must be independent of each other.
<b>Innovation actions (IA)</b>	At least three legal entities. Each of the three must be established in a different EU Member State or Horizon 2020 associated country. All three legal entities must be independent of each other.
<b>Coordination &amp; support actions (CSA)</b>	At least one legal entity established in an EU Member State or Horizon 2020 associated country.
<b>SME instrument</b>	At least one SME <sup>9</sup> . Only applications from for-profit SMEs established in EU Member States or Horizon 2020 associated countries <sup>10</sup> .

<sup>6</sup> The eligibility criteria formulated in Commission notice Nr. 2013/C 205/05 ([OJEU C 205 of 19.07.2013, pp.9-11](#)) apply for all actions under this Work Programme, including for third parties that receive financial support under the action (in accordance with Article 137 of the Financial Regulation No 966/2012), notably programme cofund actions.

<sup>7</sup> Natural or legal persons, groups or non-State entities covered by the Council sanctions in force are not eligible to participate in Union programmes. Please see the consolidated list of persons, groups and entities subject to EU financial sanctions, available at [http://eeas.europa.eu/cfsp/sanctions/consol-list\\_en.htm](http://eeas.europa.eu/cfsp/sanctions/consol-list_en.htm).

<sup>8</sup> Given that the EU does not recognise the illegal annexation of Crimea and Sevastopol, legal persons established in the Autonomous Republic of Crimea or the city of Sevastopol are not eligible to participate in any capacity. This criterion also applies in cases where the action involves financial support given by grant beneficiaries to third parties established in the Autonomous Republic of Crimea or the city of Sevastopol (in accordance with Article 137 of the Financial Regulation No 966/2012). Should the illegal annexation of the Autonomous Republic of Crimea and the City of Sevastopol end, this Work Programme will be revised.

<sup>9</sup> 'For-profit SMEs' means micro-, small- and medium-sized enterprises, as defined in Commission Recommendation 2003/361/EC, that are not 'non-profit legal entities' as defined in the Horizon 2020 Rules for Participation Regulation No 1290/2013 (i.e. 'legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members').

<sup>10</sup> In line with the EU 2020 strategy, the SME instrument is designed to promote competitiveness, growth and job creation of European SMEs through delivering innovations for the market place. SMEs will be

<b>actions</b>	No concurrent submission or implementation with another SME instrument phase 1 or phase 2 project. <sup>11</sup>
<b>ERA-NET Cofund actions</b>	At least three legal entities. Each of the three must be established in a different EU Member State or Horizon 2020 associated country. All three legal entities must be independent of each other.  Participants in ERA-NET Cofund actions must be ‘research funders’, i.e. legal entities owning or managing public research and innovation programmes. <sup>12</sup>
<b>Pre-commercial procurement (PCP) &amp; Public procurement of Innovative solutions (PPI) actions</b>	At least three legal entities. Each of the three must be established in a different EU Member State or Horizon 2020 associated country. All three legal entities must be independent of each other.  Furthermore, there must be a minimum of two legal entities which are ‘public procurers’ <sup>13</sup> from two different EU Member States or Horizon 2020 associated countries.  Both legal entities must be independent of each other.
<b>European Joint Programme (EJP) Cofund actions</b>	At least five legal entities. Each of the five must be established in a different EU Member State or Horizon 2020 associated country. All five legal entities must be independent of each other. <sup>14</sup>  Participants in EJP Cofund actions must be legal entities owning or mandated to manage national research and innovation programmes. <sup>15</sup>

supported to enhance their innovation capacity and innovation output with growth potential. As the SME instrument aims to bridge the gap between research and development and the commercialisation of innovation, the funding of single company projects is possible. The projects need to have a clear European added value (see Article 9(3) Horizon 2020 Rules for Participation Regulation No 1290/2013).

<sup>11</sup> The SME instrument is targeted at companies that need SME instrument funding as core part of their business strategy to launch a high-potential innovation. It is a competitive scheme in which only the best ideas have a chance to succeed. Consequently SMEs with usually limited absorptions capacities, need to focus their applications but have the chance to come back due to the permanently open call. This way it should also be possible to achieve a reasonable success rate.

<sup>12</sup> ERA-NET Cofund actions support coordination and collaboration between Member States and their research and innovation programmes. Consequently participation in these actions is limited to entities that can fully participate in joint calls and other actions between national and regional programmes. In this regard programme owners are typically national/regional ministries/authorities responsible for defining, financing or managing research programmes carried out at national or regional level. ‘Programme managers’ are typically research councils or funding agencies or other national or regional organisations that implement research programmes under the supervision of the programme owners.

<sup>13</sup> Public procurers are organisations that are contracting authority or contracting entity as defined in EU public procurement directives 2004/18/EC, 2004/17/EC, and 2009/81/EC and in EU legislation replacing those in particular Directive 2014/24/EU and Directive 2014/25/EU.

<sup>14</sup> EJP Cofund actions support coordinated national research and innovation programmes. In line with the objective of transnational integration though a critical mass of resources, the required minimum number of participants is higher than the one provided in the Rules for Participation Regulation No 1290/2013.

<sup>15</sup> It is appropriate that core participation in EJP cofund actions is limited to entities that can fully participate through their contribution of national and regional programmes: programme owners, typically national ministries/regional authorities responsible for defining, financing or managing programmes carried out at national or regional level or ‘programme managers’ (such as research councils or funding agencies) or other entities that implement national or regional research and innovation programmes under the mandate of the programme owners. Beyond the minimum participants, other legal entities may participate if justified by the



<b>Framework Partnership Agreement (FPA)</b>	At least one legal entity established in an EU Member State or Horizon 2020 associated country.
<b>Prizes</b>	See conditions for participation in the Rules of Contest.

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Note:

1. *‘Sole participants’ formed by several legal entities (e.g. European Research Infrastructure Consortia, European Groupings of Territorial Cooperation, central purchasing bodies) are eligible if the above-mentioned minimum conditions are satisfied by the legal entities forming together the sole participant.*
2. *The eligibility conditions applying to Marie Skłodowska–Curie (MSC) actions are set out under the MSC part of this Work Programme.*
3. *The eligibility conditions of European Research Council (ERC) actions are part of a separate work programme (see the ERC Work Programme on the Participant Portal).*

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nature of the action, in particular entities created to coordinate or integrate transnational research efforts, grouping funding from public and private sources.

## D.Types of action: specific provisions and funding rates<sup>16,17</sup>

### **Research and innovation actions (RIA)**

*Description:* Action primarily consisting of activities aiming to establish new knowledge and/or to explore the feasibility of a new or improved technology, product, process, service or solution. For this purpose they may include basic and applied research, technology development and integration, testing and validation on a small-scale prototype in a laboratory or simulated environment.

Projects may contain closely connected but limited demonstration or pilot activities aiming to show technical feasibility in a near to operational environment.

*Funding rate:* 100%

### **Innovation actions (IA)**

*Description:* Action primarily consisting of activities directly aiming at producing plans and arrangements or designs for new, altered or improved products, processes or services. For this purpose they may include prototyping, testing, demonstrating, piloting, large-scale product validation and market replication.

A ‘demonstration or pilot’ aims to validate the technical and economic viability of a new or improved technology, product, process, service or solution in an operational (or near to operational) environment, whether industrial or otherwise, involving where appropriate a larger scale prototype or demonstrator.

A ‘market replication’ aims to support the first application/deployment in the market of an innovation that has already been demonstrated but not yet applied/deployed in the market due to market failures/barriers to uptake. ‘Market replication’ does not cover multiple applications in the market of an innovation<sup>18</sup> that has already been applied successfully once in the market. ‘First’ means new at least to Europe or new at least to the application sector in question. Often such projects involve a validation of technical and economic performance at system level in real life operating conditions provided by the market.

Projects may include limited research and development activities.

*Funding rate:* 70% (except for non-profit legal entities, where a rate of 100% applies)

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<sup>16</sup> Eligible costs for all types of action are in accordance with the Financial Regulation No 966/2012 and the Horizon 2020 Rules for Participation Regulation No 1290/2013. In addition, as training researchers on gender issues serves the policy objectives of Horizon 2020 and is necessary for the implementation of R&I actions, applicants may include in their proposal such activity and the following corresponding estimated costs that may be eligible for EU funding:

- (a) Costs of delivering the training (personnel costs if the trainers are employees of the beneficiary or subcontracting if the training is outsourced);
- (b) Accessory direct costs such as travel and subsistence costs, if the training is delivered outside the beneficiary's premises;
- (c) Remuneration costs for the researchers attending the training, in proportion to the actual hours spent on the training (as personnel costs).

<sup>17</sup> Participants may ask for a lower rate.

<sup>18</sup> A new or improved technology, product, design, process, service or solution.

### **Coordination and support actions (CSA)**

*Description:* Actions consisting primarily of accompanying measures such as standardisation, dissemination, awareness-raising and communication, networking, coordination or support services, policy dialogues and mutual learning exercises and studies, including design studies for new infrastructure and may also include complementary activities of strategic planning, networking and coordination between programmes in different countries.

*Funding rate:* 100%

### **SME instrument**

*Description:* The SME instrument is targeted at all types of innovative SMEs showing a strong ambition to develop, grow and internationalise. It provides staged support covering the whole innovation cycle in three phases complemented by a mentoring and coaching service. Transition from one phase to the next will be seamless provided the SME project proves to be worth further support in a further evaluation. Each phase is open to new entrants.

#### **a) SME instrument (phase 1)**

*Description:* Feasibility study verifying the technological/practical as well as economic viability of an innovation idea/concept with considerable novelty to the industry sector in which it is presented (new products, processes, design, services and technologies or new market applications of existing technologies). The activities could, for example, comprise risk assessment, market study, user involvement, intellectual property management, innovation strategy development, partner search, feasibility of concept, and the like, to establish a solid high-potential innovation project aligned to the enterprise strategy and with a European dimension. Bottlenecks in the ability to increase profitability of the enterprise through innovation shall be detected and analysed during phase 1 and addressed during phase 2, to increase the return in investment in innovation activities.

*Funding rate:* Funding will be provided in the form of a lump sum of EUR 50,000 <sup>19</sup>.

#### **b) SME instrument (phase 2)**

*Description:* innovation projects that address a specific challenge and demonstrate high potential in terms of company competitiveness and growth underpinned by a strategic business plan. Activities should focus on innovation activities such as demonstration, testing, prototyping, piloting, scaling-up, miniaturisation, design, market replication and the like aiming to bring an innovation idea (product, process, service etc.) to industrial readiness and maturity for market introduction, but may also include some research.

In exceptional circumstances, duly justified by the character of an area, a topic may provide for actions where the research component is strongly present, as an alternative to the innovation actions described above.

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<sup>19</sup> Commission Decision C(2013)8198 authorizing the reimbursement of cost under the form of a lump sum for SME instrument phase 1 actions under Framework Programme Horizon 2020 states that the total eligible cost for a phase 1 project is EUR 71 249. Applying the co-financing rate of 70%, the amount of the grant is established at EUR 50 000.

SMEs can subcontract work and knowledge that is essential for their innovation project in the spirit of the innovation voucher concept.

Proposals should be based on a strategic business plan either developed through phase 1 or another means.

Funding rate: 70% (exceptionally, 100% where the research component is strongly present). The single applicable rate is specified under the relevant topic.

**c) SME instrument (phase 3):** Support to commercialisation promotes the wider implementation of innovative solutions and customers and supports financing of growth by facilitating access to public and private risk capital. This stage will not provide for direct funding, but SMEs can benefit from indirect support measures and services as well as access to the financial facilities supported under Horizon 2020.

**d) Mentoring and coaching:** Each beneficiary of the SME instrument will be offered business coaching support during Phase 1 (up to 3 coaching days) and Phase 2 (up to 12 coaching days) in addition to the grant offered. This support will be provided through the Enterprise Europe Network (EEN) and delivered by a group of qualified and experienced business coaches. The local EEN office will introduce the beneficiary to the coaching process and propose a selection of coaches from the database managed by the Commission for the beneficiary to choose from. The objective is to accelerate the impact of the support provided through the SME instrument and to equip beneficiaries with the necessary skills, business processes and relevant competencies for long-term growth. Phase 3 does not include individual business coaching, but SME instrument participants will be able to count on continuing EEN support in linking to relevant support services within the Network, regionally or nationally. It is important to note that the objective of coaching is not to support the company in project management or reporting obligations related to Horizon 2020 participation. This stage will not provide for direct funding.

### **ERA-NET Cofund actions**

Description: ERA-NET Cofund actions under Horizon 2020 are designed to support public-public partnerships, including joint programming initiatives between Member States, in their preparation, establishment of networking structures, design, implementation and coordination of joint activities as well as EU topping-up of a trans-national call for proposals. It is based on the merger of the former ERA-NET and ERA-NET Plus actions and is implemented by using ‘programme co-fund actions’. It allows for programme collaboration in any part of the entire research-innovation cycle.

The main and compulsory activity of ERA-NET Cofund actions under Horizon 2020 is the implementation of the co-funded joint call for proposals that leads to the funding of trans-national research and/or innovation projects. The call is normally based on a call for proposals resulting in grants to third parties. In addition to the co-funded call, the consortia may implement other joint activities (including other joint calls without EU co-funding).

ERA-NET Cofund actions may also, depending on the research area and the underlying national programmes and their governing principles, target governmental research organisations. The co-funded call for proposals will in these cases be based on in-kind contributions from their institutional funding and the beneficiaries carry out the transnational projects resulting from their call for proposals fully or partially themselves. The in-kind

contributions are the resources allocated as direct expenditure in the selected trans-national projects that are not reimbursed by the EU contribution.

The participation of programme managers including governmental research organisations has to be mandated by the national/regional authorities in charge (normally the responsible Ministry).

The minimum conditions for participation have to be fulfilled by the entities participating in the joint trans-national call for proposals.

Only in addition to the minimum conditions, and if justified by the nature of the action, programmes funded by other entities (international programmes, foundations or other non-public programmes) may participate.

‘Sole participants’<sup>20</sup> may be eligible if the above-mentioned specific conditions for eligible ERA-NET Cofund partners are satisfied. A sole participant forming a sole legal entity must explicitly indicate which of its ‘members’ are either programme owners or programme managers in the proposed action, and indicate for these members the respective national/regional programmes which are at the disposal of the proposed ERA-NET Cofund action.

*Funding rate:* The EU contribution will be limited to a maximum of 33% of the total eligible costs of the action. The EU contribution to the costs for support to or implementation of trans-national projects is limited to one call per grant agreement.

Other information: In accordance with the H2020 Rules for Participation Regulation No 1290/2013, Article 137(1)(c) of the Financial Regulation No 966/2012 and Article 210a of the Rules of Application Regulation No 1268/2012, do not apply to financial support provided by the participants in the ERA-NET Cofund actions (since this financial support is the primary aim of the action and necessary to achieve its objectives).

The contributions of (other) national or regional programmes which are not part of the consortium to the costs of trans-national projects cannot be considered for the calculation of the EU contribution.

No costs are eligible for activities related to the preparation, implementation and follow-up of the co-funded call. The consortium may however choose to use part of the EU contribution to support their activities as long as the corresponding costs are not declared as eligible and the EU contribution does not exceed 33% of partners’ funding of trans-national projects and unit costs for additional activities. This means in practice that they have to replace any EU contribution that is used to support their activities with additional national contributions to the funding of trans-national projects.

The total EU contribution to the costs of providing support to or implementation of trans-national projects is calculated as a percentage of their total eligible cost. Therefore, if the actual eligible costs for support to trans-national projects are lower than the original amount defined in the grant agreement, the EU contribution will be reduced accordingly.

The following categories of costs are eligible direct costs (if they comply with the general conditions and the specific conditions set out in the grant agreement):

A. Costs related to trans-national projects

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<sup>20</sup> See Article 199 of the Financial Regulation No 966/2012.

A.1 Direct costs of providing financial support to third parties implementing transnational projects

A.2 Costs for the implementation of trans-national projects by the beneficiaries

The consortium must provide financial support to trans-national projects or implement such projects (partially or fully) themselves in accordance with the following conditions:

The projects must be trans-national projects involving at least two independent entities from two different EU Member States or Associated Countries.

The projects must be selected following a joint trans-national call for proposals. The consortium must publish the joint call on a dedicated webpage and promote it at national/regional level via their usual channels of communications to potential proposers. The joint call must remain open for the submission of proposals for at least 60 days. The consortium must formally notify the Commission of the call and its content at least 30 days before the expected date of publication.

The consortium must make the joint call through a two-step procedure:

- Step 1: review at national or trans-national level
- Step 2: single international peer review.

Only entities that are eligible for funding under the national programmes involved in the joint call may be invited to step 2.

In step 2, the consortium must evaluate proposals with the assistance of at least three independent experts, on the basis of the following award criteria:

- (a) excellence;
- (b) impact;
- (c) quality and efficiency of the implementation.

Proposals must be ranked according to the evaluation results. The selection must be made on the basis of this ranking. The consortium must take all lawful steps to ensure confidentiality of information and documents obtained during the evaluation and selection procedures of the joint call.

After the end of the evaluation the consortium must submit to the Commission the following:

- (a) the ranking list(s) of the projects;
- (b) the observers' report on the evaluation;
- (c) the joint selection list of the projects to be funded, and
- (d) from each consortium partner participating in the joint call, a formal and duly signed commitment on availability of funds for the selected projects.

The consortium must furthermore submit to the European Commission after the end of the evaluation information on each project selected for funding, including data on each participant and abstracts of the project proposal, in a format specified by the European Commission, for publication and evaluation purposes. This information must be updated at the end of the action (information on each funded project, including data on each participant and overview of the results).

B. Coordination costs for additional activities, as a unit cost per year, if the beneficiary carries out activities that go beyond the co-funded call

An ERA-NET Cofund consortium may carry out other activities in addition to the call receiving top-up funding. Where appropriate, additional partners might be involved which do not participate in co-funded calls under section A. The activities have to be related to the coordination of public research and innovation programmes and should focus on the preparation and implementation of joint activities including additional calls without EU top-up funding. The conditions for call implementation in section A do not apply to additional calls without EU top-up funding.

The coordination cost for the other activities takes the form of a unit cost per year and is limited to those beneficiaries that carry out activities that go beyond the co-funded call. Proposers have to demonstrate the appropriateness of the overall coordination costs for the proposed additional activities.

Beneficiaries that carry out trans-national projects partially or fully themselves cannot declare coordination costs for additional activities.

The unit costs for coordination is fixed to EURO 29000 per year per beneficiary<sup>21</sup>. Indirect costs for the coordination costs must be declared on the basis of the flat rate.<sup>22</sup>

The EU contribution to coordination costs should not exceed 20% of the total EU contribution to the action.

The total duration of the action should normally not exceed 5 years.

### **European Joint Programme (EJP) Cofund actions**

*Description:* The European Joint Programme ('EJP') Cofund under Horizon 2020 is a programme cofund action designed to support coordinated national research and innovation programmes. The EJP Cofund aims at attracting and pooling a critical mass of national resources on objectives and challenges of Horizon 2020 and at achieving significant economies of scales by adding related Horizon 2020 resources to a joint effort.

The EJP Cofund does not promote types of activities or forms of coordination, but relies on modalities and processes agreed by the coordinated national programmes and related actors.

*Eligible participants:* The minimum number of participants in EJPs is five independent legal entities from different Member States or associated countries owning or managing national research and innovation programmes:

- (a) Programme owners, typically national ministries/regional authorities responsible for defining, financing or managing programmes carried out at national or regional level.
- (b) Programme 'managers' (such as research councils or funding agencies) or other entities that implement national or regional research and innovation programmes under the supervision of the programme owners.

The participation of programme managers has to be mandated by the national/regional authorities in charge.

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<sup>21</sup> Commission Decision C(2013)8200.

<sup>22</sup> The reimbursement rate for the action applies also to the unit costs. This would result in a maximum Union contribution per beneficiary per year of EURO 11 962,50.

In addition to the minimum conditions, other legal entities may participate if justified by the nature of the action, in particular entities created to coordinate or integrate transnational research efforts, grouping funding from both national and private sources.

‘Sole participants’<sup>23</sup> may be eligible if the above-mentioned specific eligibility conditions for EJP Cofund partners are satisfied. A sole participant forming a sole legal entity must explicitly indicate which of its ‘members’ are either programme owners or programme managers in the proposed action, and indicate for these members the respective national/regional programmes which are at the disposal of the proposed EJP Cofund action.

Justification for additional eligibility criteria: In line with the objective of transnational integration through a critical mass of resources, the required minimum number of participants is higher than the one provided in the Horizon 2020 Rules for Participation Regulation No 1290/2012. In addition, such participants must be established in different Member States or associated countries in order to further establish an appropriate level of cooperation and integration. Finally, EJP Cofund actions support coordination and future integration of national research and innovation programmes. It is appropriate that core participation in these actions is limited to entities that can fully participate through their contribution of national and regional programmes.

*Funded activities:* The main activity of the action is the implementation of a joint programme of activities to attain objectives common to Horizon 2020, ranging from research to coordination and networking activities, including training activities, demonstration and dissemination activities, support to third parties etc.

The Horizon 2020 funding can be used to enhance and expand the activities of existing coordinated programmes or create new ones, provided they aim at attaining the objectives of a European transnational joint-programme established by the EJP Cofund consortium.

The EJP Cofund will identify the objectives, work and the schedules of activities to be carried out in this context. It will be necessary to provide a detailed description of these activities for the initial and each successive twelve-month periods of the EJP Cofund, as the joint programme develops in line with the initial objectives. An ‘annual work programme’, combined with a progress report on previous achievements will be a key deliverable for the implementation of the EJP Cofund action on a rolling basis. It will be submitted and approved by the Commission before the beginning of activities for each reporting period:

- at proposal submission: a description of the overall objectives and schedule of proposed activities, together with the 1<sup>st</sup> annual work programme;
- before the periodic reports: an update to the annual work programme must be submitted three months before the end of the each reporting period (and – after evaluation and possible revision further to Commission comments – the annual work programme will be agreed before the start of the next reporting period).

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<sup>23</sup> See Article 199 of the Financial Regulation No 966/2012.



The Horizon 2020 contribution takes the form of a grant consisting of a reimbursement of the eligible costs related to the action, in accordance with the conditions set out in the grant agreement and relevant Commission decisions, including reimbursement of actually incurred costs, lump sums, unit costs or flat rates. Financial support provided to third parties as part of the joint programme implementation, for example through calls for proposals or under otherwise defined conditions (cascade grants), is also eligible for reimbursement.

In accordance with the H2020 Rules for Participation Regulation No 1290/2013, Article 137(1)(c) of the Financial Regulation No 966/2012 and Article 210a of the Rules of Application Regulation No 1268/2012 do not apply to financial support provided by the participants in the EJP Cofund actions to third parties, when the financial support to third parties is a primary aim of the action or necessary to achieve its objectives.

*Funding rate:* The Horizon 2020 contribution will be limited to 70% of the total eligible costs of the action, unless otherwise specified in the call conditions, in line with the objective of achieving a balanced funding of the EJP Cofund from Horizon 2020 and participating public programmes.

### **Pre-Commercial Procurement (PCP) actions**

*Description:* PCP actions aim to encourage public procurement of research, development and validation of new solutions that can bring significant quality and efficiency improvements in areas of public interest, whilst opening market opportunities for industry and researchers active in Europe. It provides EU funding for a group of procurers ('buyers group') to undertake together one joint PCP procurement, so that there is one joint call for tender, one joint evaluation of offers, and a lead procurer<sup>24</sup> awarding the R&D service contracts in the name and on behalf of the buyers group. Each procurer in the buyers group contributes its individual financial contribution to the total budget necessary to jointly finance the PCP, enabling the procurers to share the costs of procuring R&D services from a number of providers and comparing together the merits of alternative solutions paths from a number of competing providers to address the common challenge. The PCP must address one concrete procurement need that is identified as *a common challenge*<sup>25</sup> in the innovation plans of the procurers in the buyers group that requires new R&D and is described in the common specifications of the joint PCP call for tender.

*Eligible participants:* The buyers group must contain minimum two legal entities which are public procurers that are established in two different Member States or associated countries. Both legal entities must be independent of each other.

The procurers in the buyers group must be responsible for the acquisition and/or regulatory strategy for the targeted innovative solutions and aim to obtain ambitious quality and efficiency improvements in the area of public interest addressed by the PCP, or be entities

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<sup>24</sup> The lead procurer is a public procurer and is the beneficiary appointed by the buyers group to coordinate and lead the procurement. It can be either one of the procurers in the buyers group or another beneficiary in the action that is established or designated by the procurers in the buyer group to act as lead procurer.

<sup>25</sup> A PCP that addresses a challenge that consists of several facets (sub-challenges or building blocks) is considered one joint PCP procurement as long as all procurers in the buyers group share the need for - and are willing to co-finance - all the facets of the common challenge.

with a mandate from one or more of such procurers to act on their behalf in the procurement (e.g. central purchasing bodies).

Other entities (e.g. end-users, certification bodies, private/NGO procurers that provide services of public interest and share the same procurement need) whose participation is well justified may participate in additional activities that clearly add value to the action and support the preparation and execution of the PCP or embed the PCP into a wider set of demand side activities.

‘Sole participants’<sup>26</sup> must indicate which of its ‘members’ are the procurers contributing to the budget of the proposed joint procurement that satisfy the participation requirements and which are the respective procurement budgets of each of these members that are at the disposal for carrying out the procurement. A sole participant acting as buyers group must have a mandate based on a well-defined procurement need and budget from its procurers to act on their behalf.

***Funded activities:*** Preparation and implementation of the joint PCP (as described in General Annex E). Eligible costs include the price of the R&D services procured via the joint PCP and the costs of the eligible coordination and networking activities and may include in-kind contributions of third parties linked to grant beneficiaries.

***Funding rate:*** The EU contribution will be governed by the Rules for Participation, unless otherwise specified in the relevant call conditions.

The eligible costs of coordination and networking activities may not exceed 30% of the total estimated eligible costs set up in the budget of the action at the signature of the grant agreement.

Indirect eligible costs are calculated as a flat rate of 25% of direct eligible costs, excluding direct eligible costs for subcontracting (e.g the price of the PCP procurement) and costs of resources made available by third parties which are not used on the premises of the beneficiary (e.g test equipment).

### **Public Procurement of Innovative Solutions (PPI) actions**

***Description:*** The objective of PPI actions is to enable groups of procurers to share the risks of acting as early adopters of innovative solutions, whilst opening market opportunities for industry. It provides EU funding for a group of procurers (‘buyers group’) to undertake together under the coordination of the ‘lead procurer’<sup>27</sup> one joint or several coordinated<sup>28</sup> PPI procurements based on common tender specifications that are defined jointly by all procurers in

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<sup>26</sup> See Article 199 of the Financial Regulation No 966/2012.

<sup>27</sup> The lead procurer is a public procurer and is the beneficiary appointed by the buyers group to coordinate and lead the PCP or PPI. It can be either one of the procurers in the buyers group or another beneficiary in the action that is established or designated by the procurers in the buyer group to act as lead procurer.

<sup>28</sup> For joint procurement there is one joint PPI call for tender launched by the lead procurer and one joint evaluation of offers. It is possible that the lead procurer only does the procurement/tendering or also the contracting for the public procurement of innovative solutions. For coordinated procurement there are several separate PPI procurements carried out individually by the different procurers in the buyers group.

the buyers group.<sup>29</sup> Each PPI focuses on one concrete unmet need that is shared by the participating procurers and requires the deployment of innovative solutions that are to a significant extent similar across countries and are therefore proposed to be procured in collaboration. This means that the innovative solutions procured by all procurers in the buyers group must have the same core functionality and performance characteristics (described in the common specifications for the joint calls for tenders), but may have additional 'local' functionality due to differences in the local context of each individual procurer (if framework contracts/agreements are used, this can be reflected in the specific contracts for procuring specific quantities of goods/services for each procurer).

*Funded activities:* Preparation and implementation of the PPI (as described in General Annex E). Eligible costs include the price of the innovative solutions procured via the PPI and the costs of the eligible coordination and networking activities and may include in-kind contributions of third parties linked to grant beneficiaries. Cost for procurement of R&D are not eligible.

*Eligible participants:* the same as for PCP actions described above.

*Funding rate:* The EU contribution will be governed by the Rules for Participation, unless otherwise specified in the relevant call conditions.

The eligible costs of coordination and networking activities may not exceed 50% of the total estimated eligible costs set up in the budget of the action at the signature of the grant agreement.

Indirect eligible costs are calculated as a flat rate of 25% of direct eligible costs, excluding direct eligible costs for subcontracting (e.g. the price of the PPI procurement) and the costs of resources made available by third parties (e.g. test equipment) which are not used on the premises of the beneficiary.

### **Prizes**

*Description:* Prizes are financial contributions given as rewards following the publication of a contest. A 'recognition prize' is used to recognise past achievements and outstanding work after it has been performed, whereas an 'inducement prize' is used to spur investment in a given direction, by specifying a target prior to the performance of the work.

The Rules of Contest lay down the conditions for participation, the award criteria, the amount of the prize and the arrangements for the payment of the prize to the winners after their award. Model Rules of Contest are set out in Annex F.

*Prize amounts:* The amount of the prize is specified in the contest. It is not linked to the costs incurred by the winner.

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*Note:*

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<sup>29</sup> No matter whether the lead procurer only does the procurement/tendering or also the contracting for the public procurement of innovative, in any case the evaluation of all tenders must be carried out based on common specifications and common evaluation criteria defined jointly by all procurers in the buyers group.

1. Where duly justified the above types of actions may be implemented in the context of a **framework partnership agreement (FPA)**. An FPA establishes a long-term cooperation mechanism between the Commission/Agency and the beneficiaries of grants ('partners'). The FPA specifies the common objectives, the procedure for awarding specific grants, rights and obligations of each party under the specific agreements. The **specific grant agreements (SGA)** awarded in the context of an FPA may in principle correspond to any of the above types of action. The Work Programme will specify the type of action required for a given FPA, and the relevant conditions.

2. The Horizon 2020 **risk finance instruments** ('financial instruments') are described in Section 6 of the Work Programme.

## E. Specific requirements for innovation procurement (PCP/PPI) supported by Horizon 2020 grants

This annex applies to PCPs and PPIs for which the tender preparation and/or the call for tender implementation is supported by Horizon 2020. It applies to PCP/PPI actions (General Annex D) and other types of actions with PCP/PPI subcontracting activities.

### (i) *Specific requirements for Pre-Commercial Procurement (PCP)*

The following requirements apply to ensure that the definition and requirements for PCP in the Horizon2020 Rules for Participation Regulation No 1290/2012 and the conditions for the R&D services exemption of the EU public procurement directives<sup>30</sup> are respected, that the sharing of IPR rights in PCP takes place according to market conditions and that the Treaty principles<sup>31</sup> and competition rules<sup>32</sup> are fully respected in the PCP process:

#### **Definitions**

- PCPs must comply with the Horizon 2020 definitions:

*'Pre-commercial procurement'* means procurement of R&D services involving risk-benefit sharing under market conditions, and competitive development in phases, where there is a clear separation between the procurement of the R&D services procured from the deployment of commercial volumes of end-products<sup>33</sup>.

*'Risk-benefit sharing under market conditions'* refers to the approach in PCP where procurers share with suppliers at market price the benefits and risks related to the IPRs resulting from the R&D. *'Competitive development in phases'* refers to the competitive approach used in PCP by procurers to buy the R&D from several competing R&D providers in parallel, to compare and identify the best value for money solutions on the market to address the PCP challenge. To reduce the investment risk for the procurer, reward the most competitive solutions and facilitate the participation of smaller innovative companies, the R&D is also split in phases (solution design, prototyping, original development and validation / testing of the first products), with the number of competing R&D providers being reduced after each phase subsequent to intermediate evaluations. *'Separation from the deployment of commercial volumes of end-products'* refers to the complementarity of PCP, which focuses on the R&D phase before commercialisation, and PPI, which does not focus on R&D but on the commercialisation/diffusion of solutions. Procurers can but are not obliged to procure at market price R&D results from a PCP.

#### **Eligible activities:**

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<sup>30</sup> Article 16f of Directive 2004/18/EC, Article. 24e of Directive 2004/17/EC (and the EU legislation replacing those, i.e. Article 14 of Directive 2014/24/EU and Article 32 of Directive 2014/25/EU), Article 13(f)(j) of Directive 2009/81/EC.

<sup>31</sup> In particular the fundamental Treaty principles on the free movement of goods and workers, the freedom to provide services, the freedom of establishment and the free movement of capital, as well as the principles deriving there from, such as the principles of non-discrimination, transparency and equal treatment

<sup>32</sup> See in particular Article 2.3 of the 2014 R&D&I State aid framework

<sup>33</sup> See Horizon 2020 Rules for Participation Regulation No 1290/2013 and PCP Communication COM/2007/799 and associated SEC(1668)2007.

#### A. Preparation stage

The expected outcomes at this stage of a project that prepares a PCP procurement: (1) Completed tender documents based on the Horizon 2020 PCP model contract documents, needs analysis of the end-users, prior art analysis, and open market consultation; and for PCPs executed by a group of procurers, (2) Signed joint procurement agreement confirming the final collaboration modus including the financial commitment of the buyers group to pool resources for the PCP; and (3) Final confirmation of the lead procurer.

#### B. Execution stage

Main activities for a project that executes a PCP are the implementation of the PCP procurement and of the PCP contracts, including validation and comparison of the performance of the competing PCP solutions to verify fitness for purpose for conversion into permanent service of the solutions. The PCP must be executed either by (a) public procurer(s) possibly in cooperation with private/NGO procurers that provide services of public interest and share the same procurement need, that is (are) responsible for the acquisition and/or regulatory strategy for the targeted innovative solutions and aim to obtain ambitious quality and efficiency improvements in the area of public interest addressed by the PCP, or must be entities with a mandate from one or more of such procurers to act on their behalf in the procurement (e.g. central purchasing bodies).

Other entities (e.g. end-users, certification bodies) whose participation is well justified may participate during A and B in additional activities that clearly add value to the action and support the preparation and execution of the PCP or embed the PCP into a wider set of demand side activities. This includes dissemination of results, removing obstacles for introducing the solutions in the market (e.g. contribution to standardisation, regulation, certification), awareness-raising, experience sharing/training, preparing further cooperation among stakeholders and procurers in future PCPs or PPIs.

### **Preparation and publication of the open market consultation and call for tender**

- In preparation of the PCP call for tender, an open dialogue<sup>34</sup> with potential tenderers and end-users must be held to broach the views of the market about the intended R&D scope. The results of this open market consultation must be duly taken into account to fine-tune the tender specifications, so that the gap between state-of-the art industry development and the procurement needs justifies the need to procure R&D<sup>35</sup> services.

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<sup>34</sup> The open dialogue should be organised in a way not to preclude or distort competition. In respect of the Treaty principles, the open dialogue must be announced well in advance and widely via a prior information notice (PIN) in the Official Journal of the EU (OJEU) and enable potential tenderers regardless of the geographic location to participate at least in English. All information given in answers to questions from participants in the dialogue should be documented and published.

<sup>35</sup> In line with WTO GPA 1994 Article XV (1)(e) and the revised WTO GPA 2014 Article XIII(1)(f), R&D can cover activities such as solution exploration and design, prototyping, up to the original development of a limited volume of first products or services in the form of a test series. Original development of a first product or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the product or service is suitable for production or supply in quantity to acceptable quality standards. R&D does not include quantity production or supply to establish commercial viability or to recover R&D costs, nor commercial development activities such as incremental adaptations or

- In respect of the Treaty principles, the PCP contract notice must be published EU wide<sup>36</sup> by a public procurer in at least English, offers must be accepted and communication with stakeholders must be enabled at all stages throughout the PCP in at least English, and all offers must be evaluated according to the same objective criteria regardless of the geographic location, organisation size or governance structure of the tenderers.
- The prior information notice for the open market consultation and the PCP contract notice must be promoted and advertised widely using in particular also Horizon 2020 Internet sites and National Contact Points. The Commission must be informed at least 5 days prior to the expected date of publication of the PIN for the open market consultation and 30 days prior to the expected date of publication of the PCP contract notice and its content. The PCP call for tender must remain open for the submission of tenders for at least 60 days.

### **Tender documentation and procurement procedure**

- The PCP contract notice must contain information on the intended number of R&D providers that will be selected (minimum three) to start the PCP, the number of PCP phases and the expected duration and budget for each PCP phase. The PCP procurement must cover the full PCP life cycle of solution design, prototyping, and original development including testing of a limited volume of test series products/services. Each of the three PCP phases can be split up into further phases if appropriate.
- Procurers should avoid the use of selection criteria based on disproportionate qualification and financial guarantee requirements (e.g. with regards to prior customer references and minimum turnover). Functional/performance based specifications must be used, to formulate the object of the PCP tender as a problem to be solved, without prescribing a specific solution approach to be followed. Evaluation of the tenders must be based on best value for money criteria, not just lowest price.
- The PCP process must be organised while taking care to avoid any conflict of interests, including in the use of external experts. Potential providers of solutions sought for by a PCP cannot be beneficiaries in an action during which this PCP is planned or undertaken.
- The PCP process must require selected R&D providers to locate the majority of the R&D activities for the PCP contract, including in particular the principal researcher(s) working for the PCP contract, in the Member States or Associated Countries.
- In PCP, procurers do not reserve the R&D results exclusively for their own use. An R&D provider generating results in PCP must own the attached IPRs<sup>38</sup>. The procurers must enjoy royalty-free access rights to use the R&D results for their own use. The procurers must also enjoy the right to grant or to require participating R&D providers to grant non-exclusive licenses to third parties to exploit the results under fair and reasonable market conditions without any right to sublicense. A call-back provision must ensure that if an R&D provider fails to commercially exploit the results within a given period after the PCP as identified in the contract or uses the results to the detriment of the public interest, including security interests, it must transfer any ownership of results to the procurers. The procurers must

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routine or periodic changes to existing products, services, production lines, processes or other operations in progress, even if such changes may represent improvements.

<sup>36</sup> Through the OJEU, using the TED (Tenders Electronic Daily) web Portal

inform tenderers of the procurers' right to publish - after consultation with each R&D provider - public summaries of the results of the PCP project, including information about key R&D results attained and lessons learnt by the procurers during the PCP (e.g. on the feasibility of the explored solution approaches to meet the procurers' requirements and lessons learnt for potential future deployment of solutions). Details should not be disclosed that would hinder application of the law, would be contrary to the public interest, would harm the legitimate business interests of the R&D providers involved in the PCP (e.g. regarding IPR protected specificities of their individual solution approaches) or could distort fair competition between the participating R&D providers or others on the market.

- To enable the public procurers to establish the correct (best value for money) market price for the R&D service, in which case the presence of State aid can in principle be excluded, the distribution of rights and obligations between public procurers and R&D providers, including the allocation of IPRs, must be published in the PCP call for tender documents and the PCP call for tender must be carried out in a competitive and transparent way in line with the Treaty principles which leads to a price according to market conditions. The public procurers should ensure that the PCP contracts with R&D providers contain a financial compensation according to market conditions<sup>37</sup> compared to exclusive development price for assigning IPR ownership rights to participating R&D providers, in order for the PCP call for tender not to involve State aid.

### **Contract implementation**

- The PCP contract that will be concluded with each selected tenderer must take the form of one single framework agreement covering all PCP phases, which does not involve contract renegotiations after contract award. This framework agreement must contain information on the future procedure for implementing the different phases (through specific contracts), including the format of the intermediate evaluations (incl. evaluation criteria and weightings) after the solution design and prototype development phases.
- For PCPs implemented by a group of procurers, the R&D service contracts are awarded by the lead procurer and all selected tenderers can be paid by the lead procurer, or pro rata by each procurer in the buyers group according to the share of the individual financial contribution of each procurer of the total PCP procurement budget.

### **(ii) Specific requirements for Public Procurement of Innovative solutions (PPI)**

#### **Definitions**

PPIs must comply with the Horizon 2020 definitions:

*'Public procurement of innovative solutions (PPI)'* means procurement where contracting authorities act as a launch customer of innovative goods or services which are not yet available on a large-scale commercial basis, and may include conformance testing<sup>38</sup>.

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<sup>37</sup> The financial compensation compared to exclusive development cost should reflect the market value of the benefits received and the risks assumed by the participating R&D provider. In case of IPR sharing in PCP, the market price of the benefits should reflect the commercialisation opportunities opened up by the IPRs to the R&D provider, the associated risks assumed by the R&D provider comprise for instance the cost carried by the R&D provider for maintaining the IPRs and commercialising the products.

<sup>38</sup> See Horizon 2020 Rules for Participation Regulation No 1290/2013.



'Launch customers', also called early adopters, refers to the first approx. 20% customers on the EU Internal Market in the market segment of the procurers that are deploying innovative solutions to tackle the challenge addressed by the PPI procurement. PPI must result in the first application/commercialisation of innovative solutions, meaning that the solutions have to be new to the procurers' market segment or new to the EU Internal Market, and relevant to procurers in other Member States and/or Associated Countries. 'Innovative solutions' are innovative goods or services with better than best available performance levels which suppliers are called to meet through production innovation. This includes solutions that typically have already been (partially) technically demonstrated with success on a small scale, and may be nearly or already in small quantity on the market, but which owing to residual risk of market uncertainty have not been produced at large enough scale yet to meet mass market price/quality requirements and have therefore not widely penetrated the market segment of the procurers yet. This also includes solutions based on existing technologies that are to be utilised in a new and innovative way. PPI does not include the procurement of R&D.

### **Eligible activities:**

#### **A. Preparation stage**

The expected outcomes at this stage: (1) Completed tender documents<sup>39</sup> for the PPI, based on needs analysis of end-users, prior art analysis, open market consultation and (if applicable) feedback from activities to verify market readiness prior to deployment which may involve the organisation of conformance testing, / certification or quality labelling of solutions; and for joint PPIs (2) Signed joint procurement agreement confirming the final collaboration modus including financial commitment of the procurers in buyers group for the PPI; and (3) Final confirmation of the lead procurer.

#### **B. Execution stage**

Main activities: implementation of the PPI and of the PPI contracts within the timeframe of the project, ensuring deployment of the solutions according to the requirements defined in the preparation stage.

It includes the deployment of the innovative solutions and evaluation of results of operating the procured solutions in real-life operating conditions with a duration that allows for appropriate evaluation of the impact of the innovative solutions on the conversion into permanent service. The PPI must be executed by (a) public procurer(s), possibly in cooperation with private/NGO procurers that have similar procurement needs, that is (are) responsible for the acquisition strategy for the targeted innovative solutions with the aim to obtain ambitious quality and efficiency improvements in the area of public interest addressed by the PPI, or must be entities with a mandate from such procurer(s) to act on its/their behalf in the procurement (e.g. central purchasing bodies).

Other entities (e.g. end-users, certification bodies) whose participation is well justified may participate during stages A and B in additional activities that clearly add value to the action and support the preparation and execution of the PPI or embed the PPI into a wider set of demand side activities. This includes dissemination of results, removing obstacles for

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<sup>39</sup> Based on common specifications for PPIs carried out by a group of procurers

introducing the PPI innovations into the market (e.g. contribution to standardisation, regulation, certification), awareness raising and experience sharing/training, activities preparing further cooperation among stakeholders and procurers for future PCPs or PPIs.

### **Preparation and publication of the open market consultation and call for tender**

Unless the PPI is undertaken by (a) procurer(s) that has(have) conducted a PCP in line with the requirements described in section (i) of this General Annex E, to buy the prototypes or limited first test products/services that were developed during the PCP<sup>40</sup>, the following market consultation and publication obligations apply:

- In preparation of the PPI calls for tenders, an open market consultation with potential tenderers and end-users must be held to inform the market well in advance of the upcoming PPI and broach the views of the market about the intended scope of the PPI. Information retrieved from this consultation about the gap between perceived procurement needs and on-going industry developments must be taken into account in the PPI tender specifications, so that the PPI duly focuses on 'early adoption' of 'innovative' solutions.
- The market must be informed well in advance<sup>41</sup> of the target date by when the PPI is expected to be launched. Market readiness prior to deployment can be verified through the organisation of e.g. conformance testing, certification or quality labelling of solutions.
- The PPI contract notices must be published EU wide by a public procurer in at least English, offers must be accepted and communication with stakeholders must be enabled at all stages throughout the procurement in at least English, and all offers must be evaluated according to the same objective criteria.
- The prior information notices for the open market consultation, early announcements of the target date for launching the PPI, and the PPI contract notice must be promoted and advertised widely using in particular also Horizon 2020 Internet sites and National Contact Points. The Commission must be informed at least 5 days prior to the expected date of publication of the PIN for the open market consultation and 30 days prior to the expected date of publication of the PPI contract notice and its content. The PPI calls for tenders must remain open for the submission of tenders for at least 60 days.
- Where the WTO Government Procurement Agreement does not apply, participation in PPI tendering procedures must be open on equal terms to bidders from EU Member States and all countries with which the EU has an agreement in the field of public procurement under the conditions laid down in that agreement, including all countries associated to Horizon 2020. Where the WTO Government Procurement Agreement applies, PPI contracts must be also open to bidders from States which have ratified this agreement, under the conditions laid down therein.

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<sup>40</sup> In case of a PPI after a PCP according to the conditions described, the negotiated procedure without publication foreseen in the EU public procurement directives can then be used (see Article 31(2)(a) of Directive 2004/18/EC, Article 40(3)(b) of Directive 2004/17/EC, Article 13(j) of Directive 2009/81/EC and the EU legislation replacing those (Article 32(3)(a) of Directive 2014/24/EU and Article 50(b) of Directive 2014/25/EU). At least three offers must be asked including from the R&D providers that successfully completed the pre-ceding PCP.

<sup>41</sup> By means of a Prior Information Notice (PIN) in the OJEU

### **Tender Documentation and procurement procedure**

- Procurers should avoid the use of selection criteria based on disproportionate qualification and financial guarantee requirements (e.g. with regards to prior customer references and minimum turnover). Functional/performance based specifications must be used, to formulate the object of the PPI tenders as a problem to be solved, without prescribing a specific solution approach to be followed. Evaluation of the tenders must be based on best value for money criteria (not just lowest price).
- The distribution of rights and obligations between procurers and the solution provider(s), including the allocation of IPRs, must be published in the PPI call for tender documents. The PPI calls for tenders must be carried out in a competitive and transparent way in line with the Treaty principles which leads to a price according to market conditions. In order to encourage fair and wide exploitation of results, ownership rights of IPRs generated during the execution of a PPI contract should be assigned to the party generating the IPRs, except in duly justified cases (e.g. when that party is not able to exploit them).
- Procurers must organise their procurement so as to avoid any conflict of interest, including in the use of external experts. Potential providers of solutions sought for by a PPI cannot be beneficiaries in an action during which this PPI is planned or undertaken.
- Procurement procedures covered by the EU public procurement directives that do not involve procurement of R&D can be used. Restricted procedures with shortened timeframes for submission of offers for urgency reasons must not be used.

### **Contract implementation**

- Framework contracts/agreements with lots can be used. For PPIs implemented by a group of procurers, the specific contracts for procuring specific quantities of goods/services for each procurer can be awarded and the selected tenderers can be paid either all by the lead procurer, or by each procurer in the buyers group individually for those quantities of goods/services procured by each procurer individually.

## **F. Model Rules of Contest (RoC) for prizes**

Model Rules of Contest for prizes are published on the **Participant Portal**<sup>42</sup>.

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<sup>42</sup> [http://ec.europa.eu/research/participants/data/ref/h2020/prizes\\_manual/h2020-prizes-roc\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/prizes_manual/h2020-prizes-roc_en.pdf)

## G. Technology readiness levels (TRL)



Where a topic description refers to a TRL, the following definitions apply, unless otherwise specified:

- TRL 1 – basic principles observed
- TRL 2 – technology concept formulated
- TRL 3 – experimental proof of concept
- TRL 4 – technology validated in lab
- TRL 5 – technology validated in relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 6 – technology demonstrated in relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 7 – system prototype demonstration in operational environment
- TRL 8 – system complete and qualified
- TRL 9 – actual system proven in operational environment (competitive manufacturing in the case of key enabling technologies; or in space)



## H. Evaluation rules

### Selection Criteria

1. *Financial capacity*: In line with the Financial Regulation No 966/2012 and the Horizon 2020 Rules for Participation Regulation No 1290/2013. For grants, coordinators will be invited – at the proposal stage – to complete a self-assessment using an on-line tool.
2. *Operational capacity*: As a distinct operation, carried out during the evaluation of the award criterion ‘Quality and efficiency of the implementation’, experts will indicate whether the participants have sufficient operational capacity to carry out the proposed work, based on the competence and experience of the individual participant(s).
3. For prizes, neither financial capacity nor operational capacity is subject to evaluation.

### Award criteria, scores and weighting

1. Grant proposals will be evaluated by experts, on the basis of the **award criteria** ‘excellence’, ‘impact’ and ‘quality and efficiency of the implementation’ (see Article 15 of the Horizon 2020 Rules for Participation Regulation No 1290/2013).

The aspects to be considered in each case depend on the types of action as set out in the table below, unless stated otherwise in the call conditions:

	<b>Award criteria</b>		
	<p><b>Excellence</b></p> <p><i>The following aspects will be taken into account, to the extent that the proposed work corresponds to the topic description in the work programme:</i></p>	<p><b>Impact</b></p> <p><i>The following aspects will be taken into account:</i></p>	<p><b>Quality and efficiency of the implementation</b></p> <p><i>The following aspects will be taken into account*:</i></p>
<p><b>All types of action</b> (except Framework Partnership Agreement; see below)</p>	<p><b>Clarity and pertinence of the objectives;</b></p> <p><b>Soundness of the concept, and credibility of the proposed methodology;</b></p>	<p><b>The extent to which the outputs of the project would contribute to each of the expected impacts mentioned in the work programme under the relevant topic;</b></p>	<p>Quality and effectiveness of the work plan, including extent to which the resources assigned to work packages are in line with their objectives and deliverables;</p> <p>Appropriateness of the management structures and procedures, including risk and innovation</p>

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			<p>management;</p> <p>Complementarity of the participants and extent to which the consortium as whole brings together the necessary expertise;</p> <p>Appropriateness of the allocation of tasks, ensuring that all participants have a valid role and adequate resources in the project to fulfil that role.</p>
<p><b>Research and innovation actions (RIA); Innovation actions (IA) ; SME instrument actions</b></p>	<p><b>Extent that the proposed work is beyond the state of the art, and demonstrates innovation potential (e.g. ground-breaking objectives, novel concepts and approaches, new products, services or business and organisational models)</b></p> <p><b>Appropriate consideration of interdisciplinary approaches and, where relevant, use of stakeholder knowledge.</b></p>	<p>Any substantial impacts not mentioned in the work programme, that would enhance innovation capacity, create new market opportunities, strengthen competitiveness and growth of companies, address issues related to climate change or the environment, or bring other important benefits for society;</p> <p>Quality of the proposed measures to:</p> <ul style="list-style-type: none"> <li>• Exploit and disseminate the project results (including management of IPR), and to manage research data where relevant.</li> <li>• Communicate the project activities to different target audiences (not applicable to SME Instrument, phase 1)</li> </ul>	<p>(For SME instrument phase 2) Best value for money of subcontracts is assessed<sup>43</sup>.</p>
<p><b>Coordination &amp; support actions (CSA)</b></p>	<p><b>Quality of the proposed coordination and/or support measures.</b></p>	<p>Quality of the proposed measures to:</p> <ul style="list-style-type: none"> <li>• Exploit and disseminate the project results (including management of IPR), and to manage research data where relevant.</li> </ul>	

<sup>43</sup> For SME instrument phase 2 subcontracting has a crucial impact on the quality and efficiency of the implementation criteria.

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		<ul style="list-style-type: none"> <li>• Communicate the project activities to different target audiences</li> </ul>	
<b>ERA-NET Cofund actions</b>	Level of ambition in the collaboration and commitment of the participants in the proposed ERA-NET action to pool national resources and coordinate their national/regional research programmes.	<p>Achievement of critical mass for the funding of trans-national projects by pooling of national/regional resources and contribution to establishing and strengthening a durable cooperation between the partners and their national/regional research programmes;</p> <p>Quality of the proposed measures to:</p> <ul style="list-style-type: none"> <li>• Exploit and disseminate the project results (including management of IPR), and to manage research data where relevant.</li> <li>• Communicate the project, to activities to different target audiences</li> </ul>	
<b>Pre-commercial procurement (PCP)/ Public procurement of innovative solutions (PPI) actions</b>	Progress beyond the state of the art in terms of the degree of innovation needed to satisfy the procurement need.	<p>Strengthening the competitiveness and growth of companies by developing innovations meeting the needs of European and global procurement markets</p> <p>Quality of the proposed measures to</p> <ul style="list-style-type: none"> <li>• Exploit and disseminate the project results (including management of IPR) and to manage research data where relevant.</li> <li>• Communicate the project activities to different target audiences</li> </ul> <p>More forward-looking concerted procurement</p>	



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		approaches that reduce fragmentation of demand for innovative solutions	
<b>EJP Cofund actions</b>	Level of ambition in the collaboration and commitment of the participants in the proposed action to pool national resources and coordinate their national/regional research programmes.	Critical mass in terms of proposed overall budget, maturity and degree of integration in the proposed research area as well as consistency of proposed activities with the development of a European Joint Programme towards a joint undertaking or other permanent structure in the proposed research area.  Effectiveness of the proposed measures to exploit and disseminate the programme's results and to communicate the programme	
<b>Framework Partnership Agreements (FPA)</b>	Clarity and pertinence of the objectives;	The extent to which the action plan of the FPA would contribute to each of the expected impacts mentioned in the work programme under the relevant topic;	Complementarity of the partners, and balance of expertise ;  Potential for long term cooperation among the partners

\* not all aspects are relevant to proposals involving just one beneficiary

## 2. Scoring and weighting:

Unless otherwise specified in the call conditions:

- Evaluation scores will be awarded for the criteria, and not for the different aspects listed in the above table. For full proposals, each criterion will be scored out of 5. The threshold for individual criteria will be 3. The overall threshold, applying to the sum of the three individual scores, will be 10.
- For Innovation actions and the SME instrument (phases 1 and 2), to determine the ranking, the score for the criterion 'impact' will be given a weight of 1.5.
- For the evaluation of first-stage proposals under a two-stage submission procedure, only the criteria 'excellence' and 'impact' will be evaluated. Within these criteria, only the aspects in bold will be considered. The threshold for both individual criteria will be 4. For each indicative budget-split in the call conditions, the overall threshold, applying to the sum of the two individual scores, will be set at the level such that the total requested

budget of proposals admitted to stage 2 is as close as possible to three times the available budget, and in any case, not less than two and a half times the available budget.

- The actual level will therefore depend on the volume of proposals received. The threshold is expected to normally be set at 8 or 8.5.

**3. Priority order** for proposals with the same score:

Unless the call conditions indicate otherwise, the following method will be applied (except for the first stage of two-stage calls, where proposals having the same score are kept together and no prioritisation is made.)

If necessary, the panel will determine a priority order for proposals which have been awarded the same score within a ranked list. Whether or not such a prioritisation is carried out will depend on the available budget or other conditions set out in the call fiche. The following approach will be applied successively for every group of ex aequo proposals requiring prioritisation, starting with the highest scored group, and continuing in descending order:

- a) Proposals that address topics, or sub-topics, not otherwise covered by more highly-ranked proposals, will be considered to have the highest priority.
- b) The proposals identified under (a), if any, will themselves be prioritised according to the scores they have been awarded for the criterion excellence. When these scores are equal, priority will be based on scores for the criterion impact. In the case of Innovation actions, and the SME instrument (phases 1 and 2), this prioritisation will be done first on the basis of the score for impact, and then on that for excellence.
- c) If necessary, any further prioritisation will be based on the following factors, in order: size of EU budget allocated to SMEs; gender balance among the personnel named in the proposal who will be primarily responsible for carrying out the research and/or innovation activities.
- d) If a distinction still cannot be made, the panel may decide to further prioritise by considering how to enhance the quality of the project portfolio through synergies between projects, or other factors related to the objectives of the call or to Horizon 2020 in general. These factors will be documented in the report of the Panel.
- e) The method described in (a), (b), (c) and (d) will then be applied to the remaining ex aequos in the group.

4. For prizes, the award criteria, scoring and weighting will be set out in the Rules of contest.

**Evaluation procedure**

1. Calls may be subject to either a one-stage or two-stage submission and evaluation procedure.
2. Proposals are evaluated by independent experts (see Article 15(7) Horizon 2020 Rules for Participation Regulation No 1290/2013 for exceptional cases).

As part of the evaluation by independent experts, a panel review will recommend one or more ranked lists for the proposals under evaluation, following the scoring systems indicated above. A ranked list will be drawn up for every indicative budget shown in the call conditions.

3. Proposal coordinators receive an Evaluation Summary Report (ESR), showing the results of the evaluation for a given proposal. For proposals that successfully pass the first stage of two-stage calls, common feedback is provided to all coordinators, but the first stage ESR is only sent after the second stage evaluation.

4. If special procedures apply, they will be set out in the call conditions.

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Note:

1. *The evaluation criteria applied to ‘specific grant agreements (SGAs)’ in the context of an FPA are those shown in the table above, for the respective type of action, unless otherwise specified in the call conditions*

2. *The provisions applying to calls for Marie Skłodowska–Curie (MSC) actions are set out under the MSC part of the Work Programme.*

## **I. Budget flexibility**

The budgets set out in this Work Programme are indicative.

Unless otherwise stated, final budgets may change following evaluation.

The final figures may change by up to 20% compared to those indicated in this Work Programme, for the following budgeted activities:

- total expenditure for calls (up to 20% of the total expenditure for each call);
- repartition of call budgets within a call (up to 20% of the total expenditure of the call);
- evaluation and monitoring (up to 20% of the total expenditure for all these activities);
- other individual actions not implemented through calls for proposals (up to 20% for each one).

The cumulated changes above may not exceed 20% of the maximum contribution provided for this Work Programme, as set out in Article 2 of the related Commission Implementing Decision for each year.<sup>44</sup>

Changes within these limits shall not be considered to be substantial within the meaning of Article 94(4) of Delegated Regulation (EU, Euratom) No 1268/2012.

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<sup>44</sup> In a case of actions financed with the appropriations coming from two years, for the purpose of the calculation of the cumulative changes, only the part of the action budget corresponding to the appropriations of a given year may be taken into account.

## J. Actions involving classified information

In the case of actions involving security-related activities, special provisions for classified information (as defined in the [Commission Rules of Procedure](#) (*Decision 2015/444/EC, ECSC, Euratom*, and further explained in the [Guidelines for the classification of research results](#)<sup>45</sup>) will be taken in the grant agreement, as necessary and appropriate.

Proposals should not contain any classified information. However, it is possible that the output of an action ('results') needs to be classified, or that classified inputs ('background') are required. In such cases proposers have to ensure and provide evidence of the adequate clearance of all relevant facilities. Consortia have to clarify issues such as e.g. access to classified information or export or transfer control with the national authorities of their Member States/Horizon 2020 associated countries prior to submitting the proposal. Proposals need to provide a draft security classification guide, indicating the expected levels of classification. Appropriate arrangements will have to be included in the consortium agreement.

The Work Programme will indicate which topics are likely to lead to a security scrutiny.

This applies primarily to the actions under Part III of the Horizon 2020 Framework Programme, Societal Challenge 7 'Secure Societies — Protecting freedom and security of Europe and its citizens', but the provisions may appear in other parts. These references do not however preclude a different assessment following the security scrutiny. To that effect positively evaluated proposals involving sensitive or classified information will be flagged to the members of the Secure Societies Programme Committee configuration and dealt with according to its Rules for Procedure.

These provisions do not apply to prizes.

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<sup>45</sup> [http://ec.europa.eu/research/participants/data/ref/h2020/other/hi/secur/h2020-hi-guide-classif\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/other/hi/secur/h2020-hi-guide-classif_en.pdf)

## **K. Actions involving financial support to third parties**

Where a topic allows for grant proposals which foresee a financial support to third parties (in accordance with Article 137 of the Financial Regulation No 966/2012), the proposal must clearly detail the objectives and the results to be obtained and include at least the following elements:

- a fixed and exhaustive list of the different types of activities for which a third party may receive financial support,
- the definition of the persons or categories of persons which may receive financial support,
- the criteria for awarding financial support
- the criteria for calculating the exact amount of the financial support,
- the maximum amount to be granted to each third party (may not exceed EUR 60 000 for each third party unless it is necessary to achieve the objectives of the action) and the criteria for determining it.

Projects must publish widely their open calls and adhere to Horizon 2020 standards with respect to transparency, equal treatment, conflict of interest and confidentiality. All calls for third parties must be published on the Horizon 2020 Participants Portal, and on the projects own web site. The calls must remain open for at least three months. If call deadlines are changed this must immediately be published on the call page on the participant's portal and all registered applicants must be informed of the change.

The calls must have a clear European dimension – either by carrying out cross border experimentation or in other ways expanding the impact of local experiments to European scale.

The financial support may also take the form of a prize awarded following a contest organised by the beneficiary.

In this case, proposals must clearly detail at least the following elements:

- the conditions for participation;
- the award criteria;
- the amount of the prize;
- the payment arrangements.

Further conditions regarding the above-listed elements or other elements may be laid down in the call conditions.

The beneficiary of the EU grant must ensure that the recipients of the financial support allow the Commission, the European Anti-fraud Office (OLAF) and the Court of Auditors to exercise their powers of control on documents, information, even stored on electronic media, or on the final recipient's premises.

## **L. Conditions related to open access to research data**

Where indicated in the introduction of the work programme participants will engage in research data sharing, according to Article 29.3 of the Horizon 2020 Model Grant Agreement(s). This means that beneficiaries must deposit and take measures to make it possible for third parties to access, mine, exploit, reproduce and disseminate, free of charge for any user: (1) data needed to validate the results presented in scientific publications ('underlying data'); and (2) other data as specified by the beneficiaries in their Data Management Plan (DMP, see below).

Projects can "opt-out" of these provisions before or after the signature of the grant agreement (thereby freeing themselves from the associated obligations) on the following grounds:

- a) Incompatibility with the Horizon 2020 obligation to protect results that are expected to be commercially or industrially exploited
- b) Incompatibility with the need for confidentiality in connection with security issues
- c) Incompatibility with rules on protecting personal data
- d) Incompatibility with the project's main aim
- e) If the project will not generate / collect any research data, or
- f) If there are other legitimate reasons not to provide open access to research data

Any costs related to the implementation of these provisions are eligible for reimbursement during the duration of the grant.

A proposal will not be evaluated more favourably if the consortium agrees to share its research data, nor will it be penalised if it opts-out.

Further information on open access to research data is available on the Participant Portal.

A Data Management Plan (DMP) details what data the project will generate, how it will be exploited and made accessible for verification and re-use, and how it will be curated and preserved. The use of a Data Management Plan is obligatory for all projects that do not opt-out. Projects that opt-out are also strongly encouraged to submit a Data Management Plan if relevant for their planned research. Further information on Data Management Plans is available on the Participant Portal.